# GOVERNMENT OF INDIA
# AGRICULTURE
# LOK SABHA

STARRED QUESTION NO:530
ANSWERED ON:28.04.2003
DECLINE IN AGRICULTURE INVESTMENT
RAMESH CHENNITHALA

**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether there has been a decline in the share of investment in agriculture as is evident by fall in the percentage of Gross Domestic Product (GDP) from 1.6% in 1993-94 to 1.3% in subsequent years;

(b) if so, the reasons therefor;

(c) whether any steps have been taken to increase the investment in agriculture;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

## Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 530 DUE FOR REPLY ON 28TH APRIL, 2003.

(a): The share of investment in agriculture measured in terms of Gross Capital Formation(GCF) in the Gross Domestic Product (GDP) declined from 1.6% in 1993-94 to 1.3% in 2001-02 in real terms (at 1993-94 prices).

(b): The decline in the share of agricultural GCF in the GDP reflects the significant decline in the GCF in public sector during the period 1993-94 to 2001-02. While public sector GCF in agriculture declined in 5 years during this period, in the private sector it declined in two years only. Besides, while the GCF in public sector increased by only 7.3% from Rs.4,467 crore in 1993-94 to Rs.4,794 crore in 2001-02, it increased by 46.5% in the private sector during the same period. In consequence, the share of public sector in total GCF in agriculture has come down from 33.0% in 1993-94 to 26.5% in 2001-02.

(c) to (e): The steps taken by the Government to boost investment in agriculture include a wide range covering irrigation, land development, research, training, credit and marketing. Increasing credit availability to the farmers, augmenting irrigation facilities, construction of rural roads, introduction of technology for increasing production of high valued horticultural crops, etc. in the public sector not only raise public investment but serve as a catalyst for investment in the private sector. In this context the proposals made in the Union Budget for 2003-04 assume importance. These include formulation of a new central scheme on Hi-tech Horticulture and Precision Farming, greater access to credit through measures like encouraging private banks to open branches in rural areas and promoting Self-Help Group (SHG) − Bank Linkage programme propagated by NABARD, particularly in States which lag behind in this regard.